

UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY	
Caption in Compliance with D.N.J. LBR 9004-1(b) Geoffrey E. Lynott, Esq. MCCARTER & ENGLISH, LLP Four Gateway Center 100 Mulberry Street Newark, NJ 07102 Tel: (973) 639-8471 Email: glynott@mccarter.com and Darrell W. Clark, Esq. Tracey M. Ohm, Esq. STINSON LLP 1775 Pennsylvania Ave., NW, Suite 800 Washington, DC 20006 Tel: (202) 785-9100 Email: darrell.clark@stinson.com Email: tracey.ohm@stinson.com <i>Attorneys for the Verizon Entities</i>	
In re: BED BATH & BEYOND, INC., <i>et al.</i> , Debtors. ¹	Chapter 11 Case No. 23-13359 (VFP) Jointly Administered Related Docket No. 714

**LIMITED OBJECTION OF THE VERIZON ENTITIES TO
NOTICE TO CONTRACT PARTIES TO POTENTIALLY ASSUMED
EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

¹ The last four digits of Debtor Bed Bath & Beyond Inc.'s tax identification number are 0488. A complete list of the Debtors in these chapter 11 cases and each such Debtor's tax identification number may be obtained on the website of the Debtors' claims and noticing agent at <https://restructuring.ra.kroll.com/bbby>. The location of Debtor Bed Bath & Beyond Inc.'s principal place of business and the Debtors' service address in these chapter 11 cases is 650 Liberty Avenue, Union, New Jersey 07083.

Certain subsidiaries of Verizon Communications Inc., including Cellco Partnership d/b/a Verizon Wireless and Verizon Business Global LLC, on behalf of their affiliates and subsidiaries (collectively, the “Verizon Entities”), by and through undersigned counsel, hereby respectfully submit a Limited Objection (the “Limited Objection”) to the proposed cure amounts set forth on the Notice to Contract Parties to Potentially Assumed Executory Contracts and Unexpired Leases [Dkt. No. 714] (the “Cure Notice”) filed by Bed Bath & Beyond Inc. and its debtor affiliates (collectively, the “Debtors”). In support of the Limited Objection, the Verizon Entities state as follows:

INTRODUCTION

The Debtors seek to establish the cure amounts for the possible assumption and assignment of certain agreements with the Verizon Entities in connection with the sale of the Debtors’ assets. The Verizon Entities do not generally oppose assumption and assignment, but file this Limited Objection to reserve the right to receive a full cure.

BACKGROUND

1. On April 23, 2023, each of the Debtors filed a voluntary petition for relief with this Court under Chapter 11 of the Bankruptcy Code. The Debtors’ cases are jointly administered.

2. The Debtors are operating their businesses and maintaining their assets as debtors in possession pursuant to 11 U.S.C. §§ 1107(a) and 1108.

3. Prior to the filing of the Chapter 11 proceedings, certain of the Debtors were party to agreements with the Verizon Entities for the provision of telecommunications services.

4. On April 25, 2023, the United States Bankruptcy Court for the District of New Jersey (the “Court”) entered the *Order (I)(A) Approving the Auction and Bidding Procedures*,

(B) Approving Stalking Horse Bid Protections, (C) Scheduling Bid Deadlines and an Auction, (D) Approving the Form and Manner of Notice Thereof, (E) Approving the Form APA, and (II)(A) Establishing Notice and Procedures for the Assumption and Assignment of Contracts and Leases, (B) Authorizing the Assumption and Assignment of Assumed Contracts, (C) Authorizing the Sale of Assets and (D) Granting Related Relief [Docket No. 92] (the “Bidding Procedures Order”) setting forth procedures to govern the sale of the Debtors’ assets.

5. On June 13, 2023, in accordance with the Bidding Procedures Order, the Debtors filed the Cure Notice listing the executory contracts and unexpired leases that may be assumed and assigned to successful bidders for the Debtors’ assets and the associated cure amounts for such potential assumptions.

6. The Cure Notice includes 41 agreements with the Verizon Entities described as “Verizon” (18 agreements listed), “Verizon Business Network” (21 agreements listed), and “Verizon Wireless” (2 agreements listed). Cure Notice, pages 41-42.

7. Most of the “agreements” listed with the Verizon Entities are described as amendments, indicating that there are only a few separate agreements. Of the 41 agreements, three are associated with cure amounts as follows:

Debtor	Verizon Entity	Contract Description	Cure Amount
Bed Bath & Beyond Inc.	VERIZON	Verizon – 5th Amendment – OCP Scanning – fully executed	\$237,629.41
Bed Bath & Beyond Inc.	VERIZON BUSINESS NETWORK	Verizon – Amendment 20 - 111420 – FULLY EXECUTED	\$2,946,475.04
Bed Bath & Beyond Inc.	VERIZON WIRELESS	Verizon Wireless National Account Agreement – fully executed	\$334,624.65

8. The total cure amount proposed by the Debtors to assume and assign the Agreements is \$3,518,729.10.

9. The Verizon Entities cannot ascertain with certainty to which contracts the Cure Notice is referring, but they presume that the list of 41 agreements encompasses the Agreements, which are the contracts under which the Verizon Entities provide telecommunications services to the Debtor and Debtors' payment obligations to the Verizon Entities arise.

10. The proposed cure amounts are consistent with the amount listed for the Verizon Entities on the Debtors' schedules, although there the amount owed to Verizon Business Network is split up between three Debtors:

Debtor Entity	Verizon Entity	Amt. on Schedule EF
Bed Bath & Beyond Inc.	VERIZON	\$237,629.41
Harmon Stores, Inc.	VERIZON BUSINESS NETWORK	\$31,310.27
Buy Buy Baby, Inc.	VERIZON BUSINESS NETWORK	\$69,405.45
Bed Bath & Beyond Inc.	VERIZON BUSINESS NETWORK	\$2,845,759.32
Bed Bath & Beyond Inc.	VERIZON WIRELESS	\$334,624.65

LIMITED OBJECTION

11. The Verizon Entities do not object to the assumption and assignment of the Agreements, provided the cure amount for each agreement satisfies all existing defaults in accordance with 11 U.S.C. § 365(b).

12. 11 U.S.C. § 365(b)(1) states, in pertinent part:

(b)(1) If there has been a default in an executory contract or unexpired lease of the debtor, the trustee may not assume such contract or lease unless, at the time of assumption of such contract or lease, the trustee—

(A) cures, or provides adequate assurance that the trustee will promptly cure such default . . . ;

(B) compensates, or provides adequate assurance that the trustee will promptly compensate, a party other than the debtor to such contract or lease, for any actual pecuniary loss to such party resulting from such default; and

(C) provides adequate assurance of future performance under such contract or lease.

11 U.S.C. § 365(b)(1).

13. A cure under 11 U.S.C. § 365 means that all unpaid amounts due under the agreement have been paid. *In re Network Access Solutions, Corp.*, 330 B.R. 67, 76 (Bankr. D. Del. 2005).

14. As noted above, the cure amount proposed by the Debtors for the Verizon Entities totals \$3,518,729.10.

15. The Verizon Entities' records indicate that a prepetition balance of \$3,584,483.32 is owed on the accounts under which contractual services are provided to the Debtors under the Agreements as follows:

Debtor Name	Verizon Entity	Type of Service	Account #	Prepetition Bal.
Bed Bath & Beyond	VERIZON BUSINESS	Interstate	201M555125644	\$194,478.06
Bed Bath & Beyond, Inc.	VERIZON BUSINESS	Local Assess / Internet	U0102214	\$1,996,746.85
BDB Voip	VERIZON BUSINESS	VOIP	Y2720861	\$246,941.44
Bed Bath & Beyond, Inc.	VERIZON BUSINESS	Inbound	U0197258	\$135,704.22
Bed Bath & Beyond, Inc.	VERIZON BUSINESS	Managed Detection and Response - Global	U0504119	\$125,892.08

Canada	VERIZON BUSINESS	PIP / Local Access	U0173864	\$121,044.79
Bed Bath & Beyond (Parent Acct: 15617749)	VERIZON BUSINESS	Voice & Data Services	Y2663212	\$90,754.72
Bed Bath & Beyond, Inc. (Buybu	VERIZON BUSINESS	Local Assess / Internet	U0102317	\$91,214.96
Bed Bath & Beyond, Inc.	VERIZON BUSINESS	Professional Services - Structured Cabling	U0261919	\$66,536.47
Bed Bath & Beyond, Inc.	VERIZON BUSINESS	Verizon VoIP	U0102319	\$70,936.37
Bed Bath & Beyond Inc (Harmon)	VERIZON BUSINESS	Access & Internet	U0102170	\$15,537.08
Bed Bath & Beyond (Parent Acct: U0109990)	VERIZON BUSINESS	Audio Conferencing	F1,494,594	\$4,780.96
Bed Bath & Beyond (Parent Acct: 15617749)	VERIZON BUSINESS	Access & Private IP	Y2744004	\$1,297.21
Bed Bath & Beyond, Inc.	VERIZON BUSINESS	Verizon VoIP	U0102715	\$1,998.96
Bed Bath And Beyond (Parent Acct: 15617749)	VERIZON BUSINESS	Long Distance	Y2763661	\$1,547.14
Bed Bath & Beyond	VERIZON BUSINESS	Online	2505517530001	\$29,284.51

Bed Bath & Beyond	VERIZON BUSINESS	Online	5514133700001	\$5,785.53
Buy Buy Baby Inc Store 3002	VERIZON BUSINESS	Online	1530398620001	\$1,728.89
Bed Bath Beyond	VERIZON BUSINESS	Online	3538552700001	\$1,699.09
Bed Bath And Beyond	VERIZON BUSINESS	Dialtone	6500860390001	\$812.81
Bed Bath And Beyond	VERIZON BUSINESS	Answer Call/Remote	2504937820001	\$533.97
Bed Bath & Beyond Inc	VERIZON WIRELESS	Wireless	068713084900001	\$14,669.15
Bed Bath & Beyond	VERIZON WIRELESS	Wireless	054240157900001	\$297,743.70
Of A Kind Inc.	VERIZON WIRELESS	Wireless	094203883100001	\$399.96
Bed Bath & Beyond Inc	VERIZON WIRELESS	Wireless	068713084900008	\$43,542.14
Bed Bath & Beyond Inc	VERIZON WIRELESS	Wireless	034205978800001	\$22,872.26

16. The documentation supporting the cure amounts is voluminous and not attached as a result, but counsel for the Verizon Entities will provide a copy to Debtors' counsel upon request.

17. In order for the Debtors to assume and assign the Agreements, the prepetition balances must be paid.

18. Further, as the case proceeds and the Verizon Entities continue to provide post-petition services to the Debtors' estate, additional amounts become due under the Agreements between the Verizon Entities and the Debtors. In addition to the prepetition balance, any post-petition amount due must be paid to the Verizon Entities in order to cure the existing default under each of the Agreements. *See In re Seven Hills, Inc.*, 403 B.R. 327, 335 (Bankr. D.N.J. 2009).

19. Accordingly, unless and until the Debtors cure the prepetition balance owed under the Agreements in full and pay all post-petition amounts that are due, the Debtors cannot assume and assign the Agreements.

20. The Verizon Entities ask that payment of the cure amount for any assumption and assignment of the Agreements with the Verizon Entities be sent to the payment lock box at the address below and be clearly identified as a cure payment so that it may be properly applied to the Debtors' contractual accounts:

Verizon
Wells Fargo Lockbox
3585 Atlanta Ave
Lockbox 101838
Hapeville, GA 30354
800-869-3557

WHEREFORE, the Verizon Entities respectfully requests that this Court enter an Order:

a) conditioning the assumption and assignment of the Agreements upon the payment of the cure amount described herein; and b) granting such other and further relief as this Court deems equitable and proper.

Dated: June 26, 2023

Respectfully submitted:

MCCARTER & ENGLISH, LLP

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on June 26, 2023, a true and correct copy of the foregoing LIMITED OBJECTION OF THE VERIZON ENTITIES TO NOTICE TO CONTRACT PARTIES TO POTENTIALLY ASSUMED EXECUTORY CONTRACTS AND UNEXPIRED LEASES was served via the Electronic Case Filing System for the United States Bankruptcy Court for the District of New Jersey to all parties registered to receive such notice. In addition, the parties below were served via electronic mail:

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